

~~DOCKET BANKRUPTCY COURT~~
**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA**

Case Main
PLED
4/30/21 4:32 pm
CLERK
U.S. BANKRUPTCY
COURT - WDPA

In re:	:	Case No.:	20-20425/GLT
	:	Chapter:	11
VideoMining Corporation	:		
	:		
	:	Date:	4/30/2021
<i>Debtor(s).</i>	:	Time:	02:00

PROCEEDING MEMO

MATTER: # 265 - Con't Status Conference for the Purpose of Discussing Case Management Issues

274 Emergency Motion To (1) Authorize Continued Use of Cash Collateral;
(2) Extend Maturity Date of the DIP Loan; and (3) Approve Bridge Loan
277 - Objection filed by Enterprise Bank
278 - Objection filed by White Oak Business Capital, Inc.
282 - Status Report filed by the Debtor

APPEARANCES:

Debtor:	Ryan Cooney (R Sharma - CEO and Christopher Bossi - Financial Consultant present)
Enterprise:	Thomas Maxson
White Oak:	Jeffrey Rosenthal, George Snyder (and Kysha Pierre-Louis)

NOTES: (2:36)

[Parties sought an opportunity to confer from 2 p.m. to 2:36 p.m.]

Cooney: Based on discussions with Enterprise and White Oak they are in agreement with the proposed resolution. We were able to confirm a sale subject to documentation. We're going to agree to a 14 day budget and during those 14 days we're going to try to get the highest and best offer we can from AGSM.

Court: There's payroll shown on a weekly basis, so it's going to be paid current?

Cooney: The week ending May 7 - the \$36,000 is the non-management payroll paid in week 65, and the management salaries would be paid in week 66.

Court: That is payroll accrued through what period?

Cooney: Through April 30. For all our non-management employees, the plan is to pay them the payroll ending April 30 by next Tuesday/Wednesday.

Court: Where do we stand at the end of week 66?

Bossi: The way the payroll works - it's deducted from the account and paid to the employees directly. Then one week later it pays the payroll taxes.

Court: All three payroll distributions relate to payroll through April 30?

Bossi: Yes.

Court: What will the payroll obligations be from May 1-14 as of May 14? Half of the April amounts?

Bossi: Roughly half of those numbers, but the CEO salary for April will show as past due because he's choosing to forgo it.

Court: What other accrued expenses will be owed as of May 14 that are not reflected on the budget?

Bossi: On May 14 there will be \$100,000 of expenses. \$60,000 payroll/taxes including the management April salaries. The remainder of the \$100,000 would be contractors and my fee.

Court: What are the prospects for other sales, aside from Dr. Pepper?

Mr. Sharma: Five or six other accounts are active. The budget has been allocated but they're waiting to pull the trigger. I expect 2-3 to close by May 14 which would be an additional \$250,000 over and above the Keurig deal.

Cooney: We'd have a balance of \$237,500 with a max of \$335,000.

Court: Why is the budget showing a max of \$325,000 on the DIP? The Court order increased it to \$335,000.

Cooney: I think the \$325,000 figure is a typographical error. After May 14 there's going to be additional collections.

Maxson: Not problematic for my client. We'll look at the invoice very carefully, but we have confidence in the debtor.

Rosenthal: We're reluctantly agreeing to give them the time to work this out. We're worried we'll get to May 14 and they'll have \$357 in the bank.

Bossi: We did apply for one of the COVID relief programs, and that would be additional working capital I hope to see.

Court: What is the timing expectation with the Amazon license since it can be independent of the other deal?

Cooney: If the Court allows, I would file a motion to approve the agreement on an expedited basis by the end of next week. It's a non-exclusive license.

Court: I want to ensure value doesn't continue to erode. If there isn't a deal, we're done. I will approve this as a two-week interim budget and I will consider the bridge loan to be withdrawn.

Cooney: It may be implicit if the Court enters an order - but does it need to say the maturity date is also extended?

Maxson: No objection to that.

Cooney: Is everyone ok with me filing an expedited motion to approve the Amazon closing? I would put in there that advertising and competitive bidding isn't necessary.

Rosenthal: We'd like a letter from AGSM clarifying that the Amazon deal won't impact its offer.

Bossi: I can have that to you at the latest on Monday.

Court: I wonder whether there are any chapter 5 claims that need to be carved out. I'm also not inclined to wait 60 days for a closing to occur.

Rosenthal: Can we continue the status conference to a time you have available now so that we can reserve a spot?

Court: May 12 is open. If you file the motion any time through May 7th I can still give you the 12th.

OUTCOME:

1. Court's *Status Conference for the Purpose of Discussing Case Management Issues* [Dkt. No. 265] is CONTINUED to May 12, 2021 at 11:30 a.m.

2. Debtor's *Emergency Motion To (1) Authorize Continued Use of Cash Collateral; (2) Extend Maturity Date of the DIP Loan; and (3) Approve Bridge Loan* [Dkt. No. 274] is GRANTED in part and DENIED in part. [HT to Issue Proposed Order at Dkt. No. 274-5 with the following modifications: in Paragraph 1. Change "July 2nd, 2021" to "May 14, 2021" and strike "the Motion as Exhibit D" and add "this Order"; 2. Add a new Paragraph 2. "2. The maturity date on the DIP Loan is extended through May 14, 2021"; 3. Strike old paragraph numbers 2, 3, 4, and 5; 4. Add new paragraph 7 "7. A continued status conference and hearing on the continued use of cash collateral is set for May 12, 2021 at 11:30 a.m.]; and 5. Attach Exhibit A from the Status Report at Dkt. No. 282 to the Order]

DATED: 4/30/2021